

REPORT on the
STATE BOARD of EDUCATION'S
COMMISSION to STUDY
LOCAL MAINTENANCE of EFFORT

JUNE 2007

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TABLE OF CONTENTS

Preface	
Call for Commission	1
A Brief History of Maintenance of Effort	1
The State Board’s Commission to Study Local Maintenance of Effort	2
Conclusions and Recommendations	3
<i>Does the reporting of local effort need to be changed to more accurately reflect the local contribution?</i>	3
On-Behalf Payments	4
<i>Should the definition of “nonrecurring cost” be amended and/or should the process for determining “nonrecurring cost” be adjusted?</i>	5
<i>Does the calculation of maintenance of effort need to be revisited?</i>	7
Calvert County Presentation	7
St. Mary’s County Presentation	8
Cecil County Presentation	9
Closing Summary	11
Appendices	
Glossary	A
Proposed COMAR Changes	B
Maintenance of Effort Process	C
Sample Certification Statement	D



PREFACE

Maryland has a rich tradition of shared responsibility for the provision of public education. While the Maryland Constitution calls upon the General Assembly to establish, throughout the State, a “thorough and efficient System of Free Public Education,” the premise of local control is fiercely guarded. Thus, Maryland has an education system comprised of State, local, and federal financial support; State policy-making and leadership in standard-setting and accountability; and local boards of education that are fiscally dependent upon their local (county or Baltimore City) government.

The collective spending on public education is staggering. In 2005, the cost to educate Maryland’s children was \$9 billion, an average of \$9,628 per pupil. On the local jurisdiction level, the per pupil spending ranges from slightly over \$8,000 to nearly \$12,000. Statewide, local governments contribute the largest share of funds for public education. For example, in fiscal year 2005, the breakdown of funding was 51.1% local government, 41.3% state, 7.5% federal, and 0.1% other sources.

For a small state, Maryland has vast cultural and economic diversity among its 24 local jurisdictions; from metropolises to farms, from economic disadvantage to relative great wealth. Myriad circumstances factor into determining each jurisdiction’s wealth and the ability of each to provide local funds in support of education.

It is obvious, then, that one calculation cannot be used statewide to determine how much money should be uniformly expended on every pupil from the local governments’ budgets. The State can – and has – set minimum contribution levels, but a local commitment to meet the minimum requirement is not necessarily the same as a local commitment to fund public education at the level needed to achieve academic success for students. Each local jurisdiction is confronted with the challenge of providing sufficient funds to deliver top-notch education, within the context of local wealth and many competing demands for public dollars. Local governments and their respective boards of education must work together to create effective budgets that suit the financial means of each jurisdiction, yet achieve and maintain the high standards that keep Maryland in the forefront of education across the nation.



CALL for COMMISSION

A Brief History of Maintenance of Effort

The Joint Chairman's Report of 1986 requested the Maryland State Department of Education (MSDE) to devise alternative options to meeting maintenance of effort requirements stipulated in House Bill 669 – Public Education – State Aid. Four alternatives were proffered that were based on (1) consumer price index, (2) enrollment, (3) wealth, and (4) wealth index per capita and allocation index per pupil. In 1992, the General Assembly enacted legislation that waived the maintenance of effort requirement for fiscal 1993. Four years later, the General Assembly enacted House Bill 7, Education – School System Performance Audit, and House Bill 8, Education – Annual School Budget and Maintenance of Effort. These bills required performance audits and introduced the nonrecurring cost exemption and the waiver of maintenance of effort, respectively.

In 1996, the Maryland State Department of Education convened the Maintenance of Effort Workgroup that concentrated on one-time expenditures and nonrecurring costs, and established a waiver provision for local governments. As a result of their labors, nonrecurring cost exclusions to the maintenance of effort requirement and the process to obtain a waiver from the requirement are codified at COMAR 13A.02.05, which was adopted in November 1996.

The 1998 Task Force on Education Funding Equity, Accountability, and Partnership recommended...

a maintenance of effort...provision be included in any legislation providing additional targeted aid to local school districts. Such a provision should provide for flexibility by local education agencies while ensuring that additional state aid aimed at closing the funding gaps for 'at-risk' programs is not used to divert funding to other programs.

The Final Report of the Commission on Education Finance, Equity, and Excellence (2002) states,

Under current state law, counties must abide by a "maintenance of effort" requirement to be eligible to receive current expense

CALL for COMMISSION

formula funding. A local jurisdiction is in compliance with the requirement if it provides at least as much education aid per pupil as it provided the previous fiscal year. If a jurisdiction is unable to meet the maintenance of effort requirement due to its fiscal condition, it may apply to the State Board of Education for a waiver of the policy.

The State Board's Commission to Study Local Maintenance of Effort

The charge of the Commission to Study Local Maintenance of Effort was to conduct a comprehensive review of Maryland's maintenance of effort law since the passage, in 2002, of the historic Bridge to Excellence in Public Schools Act, commonly referred to as the "Thornton" legislation. To that end, the Commission was briefed on a variety of related topics, including:

- a review of the Thornton Commission's work, especially as related to adequacy and local contributions;
- approaches taken by various boards of education and their county governments to determine the level of local support;
- historical trends in nonrecurring cost exclusions, local appropriations, and local education effort;
- the diversity in revenues and expenditures of local governments; and
- local financial reporting and accountability.

CONCLUSIONS and RECOMMENDATIONS

The State Board's Commission to Study Local Maintenance of Effort met ten times between June 2005 and December 2006*. Each meeting yielded valuable information from presentations and/or discussions. Three themes emerged from the discussion of issues, and the Commission formed conclusions on each theme.

Does the reporting of local education effort need to be changed to more accurately reflect the local contribution?

To fully understand funding for education, one must consider four methods that are used to measure and describe local support:

- local share of the Foundation formula;
- maintenance of effort;
- education effort; and
- local appropriation.

These concepts overlap, yet each paints a different picture of local contributions; there are technical and informal uses of each of these terms. The local share of the Foundation is prescribed in the *Bridge to Excellence Act* and specifies that each local jurisdiction is required to devote a uniform percentage of its local wealth base to education. The local contribution rate is calculated annually (approximately .084% in fiscal 2005). Maintenance of effort sets a minimum contribution as well, defined in statute as the amount of operating funds that is provided relative to the amount of funds that was provided in the prior fiscal year, calculated on a per pupil basis. Education effort is the amount of local appropriation that is provided relative to local wealth; that is, relative to the local tax base. The state calculates effort in this way, but informal uses of the term often rely on alternative methodologies, such as the percentage of a local government budget dedicated to education. Local appropriation is generally reported by the state as operating budget support that is received as revenue to the local

* June 27, 2005; August 25, 2005; September 16, 2005; October 7, 2005; October 19, 2005; November 2, 2005; November 16, 2005; November 30, 2005; December 14, 2005; and December 15, 2006.

CONCLUSIONS and RECOMMENDATIONS

board of education. Admittedly, this reporting fails to recognize the sizeable local contributions to capital projects as well as in-kind or on-behalf support.

The members of the Commission agreed the need exists to change, or at a minimum to supplement, the reporting of local education effort and local appropriations, to help move the public discourse from that of the minimum required amount (the technical “maintenance of effort” reporting) to a broader understanding and appreciation of local support.

The members also recognized the rationale for the individual approach each jurisdiction takes in their budget preparations. A uniform statewide construct would deny jurisdictions the necessary freedom to account for and meet their unique financial circumstances based on their wealth, on-behalf payments, services reciprocated from school systems to local governments, and myriad other considerations.

On-Behalf Payments

4

Per the direction of the State Board of Education, “on-behalf” support from local governments to their school systems is to be reported. The members of the Commission discussed in depth how school systems should report on-behalf benefits.

On-behalf payments are not revenue to school systems, but services that local governments and various agencies make available to *support* schools and school systems and should show up on audits. Examples of on-behalf payments believed to qualify include police and nurses on school campuses. In these examples, the police are paid by the local department of public safety and the nurses are paid by the local department of health. Equally important to consider is that some school systems offer services to local governments; for example, facilities may be used for community meetings.

Reporting on-behalf support would provide a more comprehensive look at both school budgets and local spending for education. Such inclusive reporting would also foster the collaborative rapport between school boards and local governments that the Commission found laudable during the course of its study.

CONCLUSIONS and RECOMMENDATIONS

The Commission makes the following recommendations:

1. MSDE should develop definitions and provide training to school system and local government finance officers to achieve consistency in reporting and interpreting on-behalf payments; and
2. Local support, to include on-behalf payments, will be reported as a supplemental presentation to the required maintenance of effort in MSDE's annual *Fact Book*.

Should the definition of "nonrecurring cost" be amended and/or should the process for determining "nonrecurring cost" be adjusted?

State law stipulates that, to be eligible to receive the state share of the Foundation program, counties must provide for the local share of the Foundation program and meet the per pupil maintenance of effort requirement as described above. Approved nonrecurring costs can be subtracted from the local appropriation for the purposes of calculating the subsequent year's minimum maintenance of effort level. Nonrecurring costs, therefore, allow a county government to fund a one-time expense in a year when funds may be available, without that expense becoming part of the ongoing base. This provision holds benefit to both the county and the school system.

Allowable nonrecurring costs are defined in statute and described further in regulation; opinions of the State Board of Education have created a type of case law on the issue. In the 10 years that this provision has been in place, approximately \$212 million in nonrecurring cost exclusions have been requested, less than one-half of one percent of the total local appropriations during that time.

Technology has proved to be the most troublesome aspect of the current definitions. None of the existing defining protocols address current technology needs, purchases, replacements, and upgrades. The maintenance of effort law specifically states that the "costs to establish new

CONCLUSIONS and RECOMMENDATIONS

computer laboratories” and the “costs for new technology...” may qualify as nonrecurring costs. However, the law does not reflect the incredible growth and dependence on computers and technology in the 21st century. The Commission engaged in prolonged discussions, but failed to reach full consensus on appropriate language that qualifies these expenditures as eligible for nonrecurring cost waivers. By majority vote, the Commission adopted proposed changes to the definitions in the Code of Maryland Regulations (COMAR).

As to process, the Commission observed that the usage of nonrecurring cost exclusions is inconsistent on a jurisdiction-by-jurisdiction basis. It was debatable whether this reflected a conscious policy choice on the part of the local government, or if jurisdictions had insufficient information to adequately use this feature of the maintenance of effort provision. The Commission expressed the need to educate new Council members and new Board members about the nonrecurring process and maintenance of effort.

6

Overall, the process for requesting nonrecurring cost waivers is in place and is effective; however, the follow-up actions to ensure the items were actually funded by local governments require attention. The system, as it currently exists, assumes the local governments fund the nonrecurring cost expenditures that have been approved by MSDE. The Commission members requested a mechanism for assurances and accountability.

The Commission makes the following recommendations:

1. Rescind and replace COMAR 13A.02.05.03A(2) to provide a fuller and clearer description of expenditures that would qualify as nonrecurring costs, especially as relates to technology (full text is attached at Appendix B);
2. Amend COMAR 13A.02.05.03B(4) to require communication between the county and the local board on any request for consideration as nonrecurring costs in a supplemental appropriation (see Appendix B);
3. MSDE should provide training to new local elected officials and local school board members and staff on maintenance of effort,

CONCLUSIONS and RECOMMENDATIONS

- nonrecurring costs, and the nonrecurring cost exclusion process;
and
4. MSDE should make the appropriate administrative changes to its process, forms, and correspondence to ensure that all parties are informed at all points in the process.

Does the calculation of maintenance of effort need to be revisited?

The Department of Legislative Services provided a report on the progress of reaching adequacy as defined by the Thornton Commission. Following trends current to fiscal 2006, it is likely that six school systems will continue to have adequacy gaps in 2008, a figure that could rise to seven if the geographic cost of education index is not funded. The report noted projections of fiscal 2008 state and federal aid levels indicate that achieving adequacy for some school systems will require increased local education effort levels. It is noteworthy that the report's adequacy analysis did not incorporate the county contributions to public education referenced earlier in this report that are not now reported by the State.

Since the Final Report of the Commission on Education Finance, Equity, and Excellence was issued, subdivisions have experienced unanticipated fiscal challenges, including those caused by new homeland security burdens, construction cost inflation, and reductions in mandated State distributions for non-educational purposes. These fiscal challenges have impeded local education efforts.

Presentations from a few local jurisdictions and their school boards proved very helpful for the Commission members to understand the local appropriation process from the local perspective. Representatives from Calvert, Cecil, and St. Mary's Counties detailed the mechanics of their annual maintenance of effort certification process. Each exemplified the positive results that can be achieved to meet maintenance of effort via collaborative efforts and mutual goals of the local governments and their school boards. Overall, the members of the Commission were favorably impressed.

CONCLUSIONS and RECOMMENDATIONS

Calvert County

Wilson Parran, Calvert County Commissioner, and Bill Phalen, President of the Calvert County Board of Education, shared with the Commission their collaborative undertaking and the formula they created to reach agreement on school funding. Mr. Parran emphasized that the budget had been handled as a team effort prior to Maintenance of Effort and has been consistently above the requirement. In addition, Calvert County created a formula to fund education and alleviate possible contention between the board of education and the local government.

In the 2003-2004, the County gave the board of education an additional \$3 million because that was the amount available. The following year, they gave the board an additional \$4.5 million. These amounts were arbitrary, and indicated that a formula was needed. Outlined in their presentation, Mr. Parran and Mr. Phalen explained that the Board of County Commissioners and the Board of Education entered an agreement on funding for education. The “components of this formula are:

8

- the prior year’s county appropriations to the Board of Education’s annual operating budget;
- the student enrollment growth;
- the consumer price index; and
- an adjustment factor of 1.25% to provide additional funding for new initiatives or new state mandates.”

With foresight, Calvert County developed a contingency plan whereby either party can re-open negotiations if revenues are drastically reduced or if catastrophic events create significant, unexpected increases in expenditures.

St. Mary’s County

The representatives from St. Mary’s County were Tom McKay, President of the Board of County Commissioners, Cathy Allen, Chair of the Board of Education, and Michael Martirano, Superintendent, who spoke of their success in the congruous approach to funding education. Foremost,

CONCLUSIONS and RECOMMENDATIONS

they deem their county's maintenance of effort agreement as a "living document,...one that is intended to grow, be enhanced, and hopefully serve as a model to benefit other school systems and their respective governments." In reaching agreement about their budget, everyone makes a conscious, fiscally responsible effort to reduce costs. Dr. Martirano explained he strives to ensure that their maintenance of effort is aligned with their Master Plan. If their goals not met, there are options to pursue such as requesting additional funds from the local government and dropping or modifying some programs.

Mr. McKay stated that increased spending is acceptable provided there is a corresponding increase in outcomes. Also factoring into the cooperative approach is, as Ms. Allen emphasized, the importance of public acceptance, ensuring that everyone understands and desires common goals.

In St. Mary's County, education funding is tied to a per pupil allocation that is based on a formula and a review process that includes assessment of the impact of changing conditions such as economic fluctuations, new mandates, and changes in responsibilities. Remediation plans are discussed for areas where goals were not met, and it is understood that the county government must pay their "fair share," which is based on county wealth and the calculations in the *Bridge to Excellence Act*. The representatives at the Commission meeting agreed this process is not perfect, but stressed that "it has a mechanism by which both sides can improve it."

Cecil County

Nelson Bolender, County Commission President, and Carl Roberts, Superintendent, represented Cecil County. Mr. Bolender stated the favorable relationship between the county government and the school board is based on open, continuous discussions and trust. There are no surprises at budget time because the issues had been discussed and resolved beforehand. Dr. Roberts added that he attributed the successful relationship on mutual trust in the information they share each month, the County Administrator working with the Board's staff regarding capital projects, and everyone knowing where the figures come from in the budget requests.

CONCLUSIONS and RECOMMENDATIONS

When preparing budget requests, Dr. Roberts confers with the budget and finance staff of the Maryland State Department of Education, with constituents about County priorities, then with his County government. He uses this information to form a realistic budget. Because of the ongoing discussions, everyone is aware of all financial activities, not only those regarding education, and the budget is received with a full understanding of how it was prepared.

The Commission makes the following recommendations:

1. Local governments are encouraged to provide an appropriate level of funding and to foster relationships with their boards of education;
2. The budget practices of Calvert, Cecil, and St. Mary's Counties should stand as models for the other local governments and school boards across the State; and
3. The State Board of Education should revisit maintenance of effort, local education appropriations, on-behalf payments, nonrecurring costs, and adequacy after the full implementation of the Thornton law in 2008.

CLOSING SUMMARY

In Maryland, significant strides have been made to improve education funding and to reduce the adequacy gap. When the Thornton law was enacted, technology and school buildings were thought to be satisfactory. In the meantime, technology has surged beyond imagination and our school buildings are aging and in some cases failing to support the current needs of our students and technology. Local maintenance of effort should be reviewed periodically to keep pace with the ever-changing educational and technological needs of the 21st century.

The Commission requests the State Board to revisit maintenance of effort, local education appropriations, on-behalf payments, nonrecurring costs, and adequacy after the full implementation of the Thornton law and the completion of the final evaluation in 2008. At that time, updated information should be sought and evaluated to ensure the Maryland State Department of Education and each local government and school system fully understands all reporting requirements and, above all, continues to deliver the highest quality education to the students of Maryland.

On behalf of the Maryland State Board of Education, we would like to express our appreciation to the State Superintendent of Schools, Nancy S. Grasmick, for her leadership and direction throughout the Commission's deliberations. We also extend a special thank you to Ms. Mary Clapsaddle, Assistant State Superintendent for the Division of Business Services, and her Division staff who provided a tremendous amount of information and support to the Commission's work.



APPENDICES

Glossary	A
Proposed COMAR Changes	B
Maintenance of Effort Process	C
Sample of Certification Statement	D





GLOSSARY

Adequacy: Funding that is sufficient to acquire the total resources needed to reasonably expect that students can meet academic performance standards.

Capital Items: COMAR 13.02.05.03 defines capital items as anything with a useful life in excess of five years except the purchase of land or buildings.

Equipment: Typically tangible items with a life of five or more years. Examples include buses, vehicles, and musical instruments. Land and buildings are specifically excluded.

Full-Time Equivalent Enrollment: The number of students enrolled in grades 1 through 12 or their equivalent in regular day school programs on September 30 of the previous school year.

New Computer Labs Exclusion: Very similar to New Technology Exclusion; that is, per COMAR 13.02.05.03, this includes the costs for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front staff development and training.

New Technology Exclusion: Per COMAR 13.02.05.03, includes cost for equipment, furniture, wiring, hardware, software, space renovations, and the initial up-front staff development and training. Can and often does, include central office computing capacity, not only instructional technology.

On-Behalf Payments: ON-BEHALF is not revenue to systems, but money available to support school systems. Examples of ON-BEHALF payments believed to qualify include police and nurses on school campuses.

Wealth: calculated the same as for education aid: assessable property tax base and taxable income.

A1



PROPOSED COMAR CHANGES

The following changes were proposed to and accepted by the Commission.

Rescind and replace COMAR 13A.02.05.03A(2) to provide a fuller and more clear description of expenditures that would qualify as nonrecurring, especially as relates to technology.

- (2) Section 5-202(d)(6) of the Education Article authorizes the State Board to define qualifying nonrecurring costs by regulation.
 - (a) In general, a qualifying nonrecurring cost is one that is unique and one-time only, provides new or additional functionality, meets the definition of “capital outlay” found in the Finance Reporting Manual for Maryland Public Schools (1997 edition), and/or adds to the existing asset value of a facility.
 - (b) In general, expenditures for continuing or replacing existing functionality and operations, for items that meet the definition of “maintenance of plant” found in the Finance Reporting Manual for Maryland Public Schools (1997 edition), for improvements that are mandated by the Americans with Disabilities Act, for equipment with a useful life expectancy of less than 5 years, and/or for the purchase of items that are to be replaced as part of a planned replacement schedule are not considered to be nonrecurring costs.
- (3) Qualifying nonrecurring costs are limited to:
 - (a) Costs to establish new computer laboratories, including the cost of equipment, furniture, wiring, cabling, hardware, software, software development, network development, space renovation, and the initial, one-time only cost for staff development, training, and training materials. Ongoing computer laboratory costs for maintenance ; staff salaries, development, and training; training materials; upgrading and updating equipment; and hardware and software replacement enhancements and maintenance do not qualify as nonrecurring costs.
 - (b) Costs for providing new information technology, including the cost of equipment, furniture, wiring, cabling, hardware, software, software development, network development, space renovations, and the initial one-time only cost of staff development, training, and training materials. Ongoing costs for maintenance; staff salaries, development, and training; training materials; upgrading and updating of equipment; and hardware and software replacement

B1

PROPOSED COMAR CHANGES

enhancements and maintenance do not qualify as nonrecurring costs.

- (c) New, one-time only instructional program start-up costs that include the cost of equipment, furniture, wiring, cabling, hardware, software, space renovations, textbooks, manipulatives, staff development, and training.
- (d) Books, other than classroom textbooks, to establish a new library collection or to support a new curriculum; and new books required in new or renovated schools.
- (e) Capital items with a useful life of 5 years or more that include the cost to acquire fixed assets other than land and buildings.
- (f) Other unique, one-time only costs that the local board and county mutually agree to be one-time only expenditures and are determined by the Department to be one-time only costs.

Amend COMAR 13A.02.05.03B(4) to require communication between the county and the local board on any request for consideration as nonrecurring expenses for supplemental funds. The existing regulations already require communication between all parties in the other steps of the process.

B2

B. Procedure

- (1) through (3) are unchanged.
- (4) The county may decide to appropriate additional funds to its school operating budget during a fiscal year. The county shall obtain written approval from the Department to classify any SUCH additional appropriation as a nonrecurring cost. THE COUNTY SHALL SEND A COPY OF THE WRITTEN REQUEST TO THE LOCAL BOARD WHEN IT SUBMITS THE WRITTEN REQUEST TO THE DEPARTMENT.
- (5) Unchanged.

MAINTENANCE OF EFFORT PROCESS

Maintenance of Effort law is 13A.02.05.03

Certification Statement

- Each spring, the Certification Statement is sent to local superintendents to verify their minimum local contribution and maintenance of effort requirements for that year.
- The Certification Statement contains two tests (Part A and Part B) to verify on these two measures.
- The certification is conducted at the end of fiscal year versus the beginning to allow supplemental appropriations to be reflected.

Part A

- The law states, “The county governing body shall levy an annual tax sufficient to provide an amount of revenue for elementary and secondary public education purposes equal to the local share of the foundation program” (5-202(d)(i)).
- Identified as Minimum Share on the Certification Statement, it is calculated as the product of local wealth times the local contribution rate. MSDE provides this amount on the Certification Statement for each school superintendent.
 - The local contribution rate is a statewide rate of the ratio of the total local share of the foundation program to total statewide wealth. The rate is applied to each local government’s local wealth to determine the Minimum Share.
- MSDE also provides on the Statement the school system’s FTE Enrollments for the previous and current fiscal years.

C1

Part B

- The maintenance of effort test is captured in Part B. The law states, “the county governing body shall appropriate local funds to the school operating budget in an amount no less than the product of the county’s full-time equivalent enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year” (5-202(d)(ii)).

MAINTENANCE OF EFFORT PROCESS

- Statute explains how to determine the “local appropriation on a per pupil basis for the prior fiscal year.” Refer to Education Article 5-202(d)(2).
 - Side 2 of the Certification Statement is for reporting Adjustments to Local Appropriation.
 - The operating budget appropriation (line A) is verified by MSDE against budget data submitted at the beginning of the fiscal year.
 - This figure can be adjusted by supplemental appropriations, qualified nonrecurring costs, program shifts, and other reconciling items (lines B through F).
- Determining Part B begins on page 2 of the Certification Statement. Qualifying nonrecurring costs, program shifts, and other reconciling items (lines D, E, and F) are deducted from total appropriations (line C), leaving a net local appropriation (line G). This is the starting point for calculating fiscal year maintenance of effort requirements.
 - The net local appropriation prior fiscal year (line G 1st column) is forwarded to line B of page 1. The next step is to convert it to a per pupil basis. Statute instructs the use of full-time equivalent enrollment numbers from the prior fiscal year. The net local appropriation from the prior fiscal year is divided by FTE of September 30.

The maintenance of effort level is the product of the per pupil amount times the enrollment number of the previous fiscal year.

A sample Certificate Statement follows that illustrates these calculations.

Review and Approval

- MSDE reviews all requests for nonrecurring costs, determines if they meet statute, then sends letters to the local governments indicating approval. The local governments may appeal these decisions to the State Board. Only two appeals had been submitted, both were in 1997.
- The approval letter from MSDE contains two caveats:
 1. Nonrecurring costs may be excluded only to the extent that maintenance of effort is exceeded. The local government cannot avoid meeting maintenance of effort by claiming nonrecurring costs, even if it is submitted to MSDE and is approved as meeting criteria. Nonrecurring costs must be supplemental to the base, required appropriation.

MAINTENANCE OF EFFORT PROCESS

2. If the final budget, as approved by the local government, does not reflect items submitted and approved, MSDE is to be notified. There are occasions when these costs are approved by MSDE as qualified, but are not funded by the local government. Upon notification, the Department adjusts its records so unfunded items do not appear on this schedule. It is not uncommon for the list to change as local governments and boards of education continue budget negotiations. Revised lists are to be submitted to MSDE and are subjected to the same review and approval process.



SAMPLE CERTIFICATION STATEMENT

CERTIFICATION STATEMENT STATE SHARE OF THE FOUNDATION PROGRAM FOR FISCAL YEAR 2006

Education Article Section 5-202 (b) through (d) requires that to be eligible to receive State Share of the Foundation Program the following must be met:

A.

B The product of Enrollment for the current fiscal year and the local appropriation on a per pupil basis for the prior fiscal year

Fiscal Year 2005 Highest Local Appropriation * to the School Operating Budget _____

Divided by

FTE Enrollment as of 9-30-2003 for Fiscal Year 2005

Fiscal Year 2005 Appropriation Per Student _____

Multiplied by

FTE Enrollment as of 9-30-2004 for Fiscal Year 2006

Equals

Maintenance of Effort Level _____

In accordance with the above requirements of the Acts of the General Assembly, I hereby certify that the above information is correct and that \$ _____ is the Net Local Appropriation* that will be provided to the County Board of Education from County sources beginning

Signature of the Superintendent of Schools

Date

This Certification is to be submitted to the Maryland State Department of Education no later than 20-Apr-06

* See other side for instructions to meet this requirement (amounts shown from line G)

SAMPLE CERTIFICATION STATEMENT

ADJUSTMENTS TO LOCAL APPROPRIATION NAME OF COUNTY

A. Operating Budget Appropriation	\$		\$	
Plus:				
B. Supplemental Appropriations *				
C. Total Appropriation (A+ B)	\$		\$	
Less:				
D. Approved** Nonrecurring Costs				
1 Qualifying Exclusion				
2 _____				
3 _____				
4 _____				
Total Supplemental & Nonrecurring Costs	\$		\$	
E. Program Shifts Between County and Board Budgets *				
1 _____				
2 _____				
3 _____				
Total Program Shifts	\$		\$	
F. Other Reconciling Items*				
G. Net Local Appropriation (C-D-E-F)	\$		\$	

* Provide detail separately.

** Allowable to the extent that the Appropriation exceeds the minimum Maintenance of Effort Level.

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